

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 530 - SB 1216

February 27, 2017

SUMMARY OF BILL: Replaces the Tennessee National Guard Tuition Assistance (TNGTA) Act with the Tennessee Support, Training, and Renewing Opportunity for National Guardsmen (STRONG) Act Pilot Program. Redefines “educational institution” as any public university, college, community college, or any private college or university that is regionally accredited and has its primary campus in the state.

Revises the program’s payment provisions to require the Department of the Military to pay 100 percent of the maximum resident undergraduate in-state tuition charged by the eligible institution. Requires all other state or federal assistance to be credited first to a member’s tuition. Reimbursement for members attending a private two-year college shall be set at the average cost of tuition at public two-year community colleges as determined by the Tennessee Higher Education Commission (THEC) and the Tennessee Student Assistance Corporation (TSAC). Reimbursement for members attending a private four-year college shall be set at the average cost of tuition at public four-year universities as determined by THEC and TSAC.

Sets forth limitations and conditions on eligibility for tuition reimbursement under the program. Requires members eligible for federal tuition assistance to apply for and use federal tuition assistance.

Requires the Department of the Military (DOM) to provide an annual report which includes annual student-level participant data to THEC for publication, on or before December 1 of each year of the pilot program. Establishes that the four-year pilot program be repealed on June 30, 2021, unless reenacted or extended by the General Assembly prior to that date.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$8,950,000/General Fund/One-Time

Other Fiscal Impact – The one-time appropriation of \$8,950,000 to the Department of the Military is anticipated to be expended as follows: \$1,750,000 in FY17-18; \$2,400,000 in FY18-19; \$2,400,000 in FY19-20; and \$2,400,000 in FY20-21.

The Governor’s Recommended Budget Document for FY17-18, on page A-38, recognizes a one-time state expenditure from the General Fund of \$8,950,000.

Assumptions:

- Based on information provided by the DOM, a one-time appropriation of \$8,950,000 from the General Fund to the DOM will be required for the purpose of funding the STRONG Act over the four year life of the pilot project.
- According to the DOM, the one-time appropriation of \$8,950,000 will be expended as follows: \$1,750,000 in FY17-18; \$2,400,000 in FY18-19; \$2,400,000 in FY19-20; and \$2,400,000 in FY20-21.
- Any increase in state expenditures for the DOM to review and study the STRONG Act program and make the required report is estimated to be not significant.
- The Department of Finance and Administration reports that no funding has been provided for the current TNGTA program in the last three fiscal years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/rbp